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LOK SABHA

The following Report of the Joint Committee on the Bill to provide for the control of rents and evictions, and for the lease of vacant premises to Government, in certain areas in the Union territory of Delhi was presented to Lok Sabha on the 27th November, 1958:—

Composition of the Joint Committee

Shri Govind Ballabh Pant—*Chairman.*

MEMBERS

Lok Sabha

2. Shri Radha Raman
3. Choudhry Brahm Perkash
4. Shri C. Krishnan Nair
5. Shri Naval Prabhakar
6. Shrimati Sucheta Kripalani
7. Shrimati Subhadra Joshi
8. Shri N. R. Ghosh
9. Shri Vutukuru Rami Reddy
10. Dr. P. Subbarayan
11. Shri Kanhaiyalal Bhorulal Malvia

12. Shri Krishna Chandra
13. Shri Kanhaiya Lal Balmiki
14. Shri Umrao Singh
15. Shri Kalika Singh
16. Shri T. R. Neswi
17. Shri Shivram Rango Rane
18. Shri Chandra Shanker
19. Shri Bhola Raut
20. Shri Phani Gopal Sen
21. Sardar Iqbal Singh
22. Shri C. R. Basappa
23. Shri B. N. Datar
24. Shri V. P. Nayar
25. Shri Shamrao Vishnu Parulekar
26. Shri Khushwaqt Rai
27. Shri Ram Garib
28. Shri G. K. Manay
29. Shri Uttamrao L. Patil
30. Shri Subiman Ghose
31. Shri Banamali Kumbhar

Rajya Sabha

32. Shri Gopikrishna Vijaivargiya
33. Shrimati Ammu Swaminadhan
34. Shri Deokinandan Narayan
35. Dr. W. S. Barlingay
36. Shri Awadheshwar Prasad Sinha
37. Babu Gopinath Singh
38. Shri Onkar Nath
39. Shri A. Dharam Das
40. Shri R. S. Doogar
41. Dr. Raj Bahadur Gour
42. Shri Faridul Haq Ansari
43. Shri Anand Chand
44. Shri Mulka Govinda Reddy
45. Mirza Ahmed Ali.

DRAFTSMEN

Shri R. C. S. Sarkar, *Joint Secretary and Draftsman, Ministry of Law.*

Shri S. K. Hiranandani, *Additional Draftsman, Ministry of Law.*

SECRETARIAT

Shri A. L. Rai—*Under Secretary.*

REPORT OF THE JOINT COMMITTEE

I, the Chairman of the Joint Committee to which the *Bill to provide for the control of rents and evictions, and for the lease of vacant premises to Government, in certain areas in the Union Territory of Delhi was referred, having been authorised to submit the report on their behalf, present this their Report, with the Bill as amended by the Committee annexed thereto.

2. The Bill was introduced in the Lok Sabha on the 1st September, 1958. The motion for reference of the Bill to a Joint Committee of the Houses was moved by Shri B. N. Datar on the 10th September, 1958 and was discussed in the Lok Sabha on the 10th, 11th and 12th September, 1958 and was adopted on the 12th September, 1958.

3. The Rajya Sabha discussed the motion on the 19th and 22nd September, 1958 and concurred in the said motion on the 22nd September, 1958.

4. The message from the Rajya Sabha was read out to the Lok Sabha on the 24th September, 1958.

5. The Committee held 8 sittings in all.

6. The first sitting of the Committee was held on the 27th September, 1958 to draw up a programme of work. The Committee at this sitting decided that the four principal organisations of tenants and landlords be allowed to tender oral evidence before them.

7. Twenty-eight Memoranda or representations on the Bill were received by the Committee from different associations and individuals.

8. At the second and third sittings of the Committee held on the 1st and 3rd November, 1958, respectively, the Committee heard the evidence tendered by the four associations.

The Committee have decided to lay the whole of the evidence before them on the Table of the House.

*Published in Part II, Section 2 of the Gazette of India, Extraordinary, dated the 1st September, 1958.

9. The Committee considered the Bill clause by clause at their sittings held on the 4th, 5th, 6th and 7th November, 1958.

10. The report of the Committee was to be presented by the 17th November, 1958. The Committee were granted extension of time on the 17th November, 1958 upto the 27th November, 1958.

11. The Committee considered and adopted the Report on the 22nd November, 1958.

12. The observations of the Committee with regard to the principal changes proposed in the Bill are detailed in the succeeding paragraphs.

13. *Clause* 2.—The Committee consider that the definition of "tenant" ought to be enlarged to include a sub-tenant and also any person continuing in possession after the termination of his tenancy but excluding any person against whom any decree or order for eviction has been passed.

The definition of "tenant" in clause 2(l) has accordingly been amended.

Other changes made in this clause are of a drafting nature.

14. *Clauses* 4 *and* 5.—The amendments are clarificatory in nature.

15. *Clause* 6.—The Committee are of opinion that for the purpose of fixation of standard rent, the poorer classes of tenants should be given relief and that the rent payable by them should not be appreciably increased. At the same time, they consider that in the case of non-residential premises, a higher increase might be allowed. In view of the fact that the repair charges of pre-1944 houses will be heavy. it was felt that they should be treated differently from post-1944 houses.

The Committee, therefore, suggest that the standard rent should be fixed as follows:—

A. *Residential premises*—

(*a*) residential premises let out before the 2nd June, 1944—

(*i*) Basic rent Rs. 600/-or below—such basic rent

(*ii*) Basic rent above Rs. 600/- —basic rent plus 10% of such rent.

(*b*) *Residential premises let out after the 2nd June*, 1944—

(*i*) if rent already fixed under the Rent Control Acts of 1947 or 1952—

(1) Rs. 1200/- or below . . . rent so fixed.

(2) above Rs. 1200/- . . . rent so fixed plus 10 % of such rent.

(*ii*) if rent has not been fixed under the earlier Rent Control Acts—

(1) Rs. 1200/- or below . . . 7½% of the aggregate amount of the reasonable cost of construction and the market price of land comprised in the premises.

(2) above Rs. 1200/- . . . 8½% of such cost.

B. *Non-residential premises*—

(*a*) *non-residential premises let out before the 2nd June, 1944*—

(*i*) Rs. 1200/- or below . . . . basic rent plus 10% of such rent.

(*ii*) above Rs. 1200/- . . . . basic rent plus 15 % of such rent.

(*b*) *non-residential premises let out after the 2nd June, 1944*—

(*i*) if rent already fixed under the Rent Control Acts of 1947 or 1952—

(1) Rs. 1200/- or below . . . rent so fixed.

(2) above Rs. 1200/- . . . rent so fixed plus 15 % of such rent.

(*ii*) if rent has not been fixed under the earlier Rent Control Acts—

(1) Rs. 1200/- or below . . . 7½% of reasonable cost of construction and the market-price of land comprised in the premises.

(2) above Rs. 1200/- . . . 8½% of such cost.

The Committee also feel that premises which have been let out for the purpose of public hospitals, educational institutions, public libraries, reading rooms or orphanages should be treated for the purpose of this clause as "residential premises".

The clause has been redrafted accordingly.

16. *Clause* 7.—(1) *Sub-clause* (1).—The Committee are of the view that a landlord might be permitted to increase the standard rent under this sub-clause for any improvement, addition or structural alteration only when such improvement, addition or structural alteration was done with the written approval of the tenant or of the Controller. The percentage of such increase has been reduced from eight and one fourth per cent to seven and one half per cent of the cost of improvement addition or alteration.

(2) *Sub-clause* (2).—The Committee consider that a landlord should not be allowed to pass on any tax on building or land to the tenant even by agreement. But they feel that if any such agreement was entered into before 1st January, 1952, such agreement should be honoured.

Sub-clause (2) has been amended accordingly.

(3) *Original Sub-clause* (3).—The Committee consider that while sub-letting should be permitted with the consent of the landlord in

writing but neither the landlord nor the tenant should be allowed to charge more than the standard rent.

The sub-clause has been omitted accordingly.

17. *Clause* 8.—The Committee have omitted original sub-clause (3) as being now unnecessary.

18. *Clause* 9.—The definition of "tenant" has been amended to include a sub-tenant and it will be permissible for a sub-tenant to file an application under this clause to the Controller for the fixation of the standard rent of the part sub-let to him. The Committee have, however, added a new sub-clause (3) to make this position clear.

19. *Clause* 12.— The Committee are of the view that limitation of one year for application for fixation of standard rent is too short and should be increased to two years.

The Committee have also made certain drafting changes to make the intention clear.

20. *Clause* 14.—(1) *sub-clause* (1).—

Item (a) of the proviso.—The Committee feel that the limitation of one month within which the tenant should pay or tender the whole of the legally recoverable arrears of rent is too short and ought to be increased to two months.

The item has been amended accordingly.

Item (b) of the proviso.—For the purpose of creating a valid sub-tenancy, it was necessary under the Act of 1952 to obtain the written consent of the landlord but no such written consent was necessary under the Act of 1947. The Committee are of opinion that every sub-tenancy which was created before the Act of 1952 should be treated as valid and should not be a ground for eviction.

The item has been amended accordingly and a new clause 16 has been inserted.

Item (c) of the proviso.—The Committee consider that *bona fide* requirement of any premises for any member of the family dependent on the landlord should also be a valid ground for eviction.

The item has been amended accordingly.

Items (j) and (k) of the proviso.—As the original item (j) dealt with two separate matters, the Committee have redrafted this item as items (j) and (k).

Item (l) of the proviso (original item k).—The Committee feel that a landlord should get the benefit under this item only if the

building work cannot be carried out without the premises being vacated.

(2) *Sub-clause* (4).—The Committee consider that hardship in genuine cases might be caused, if presumption was made by the Controller in every case that premises were sub-let where a person not being a servant or a member of the family had resided in the premises for a period exceeding one month.

The original item (a) has been omitted accordingly.

The Committee further feel that a person should not be penalised for entering into any genuine partnership. He should come within the mischief of this sub-clause only if he sub-lets the whole or any part of the premises under the cloak of partnership.

Sub-clause (4) has been re-drafted accordingly.

(3) *Sub-clause* (5).—The amendment is clarificatory in nature.

(4) *Sub-clause* (6) (*New sub-clause*).— The Committee feel that in order to stop *mala fide* transfer of premises for the purpose of evicting tenants on the ground specified in item (e) of the proviso to sub-clause (1), it is necessary to provide that where a landlord has acquired any premises by transfer, he should not be allowed to evict a tenant on the ground of *bona fide* requirement of the premises within five years from the date of such acquisition.

Sub-clause (6) has been inserted accordingly.

Original sub-clauses (6) and (7) have been renumbered as sub-clauses (7) and (8).

(5) *Sub-clause* (9) (*New sub-clause*).—The Committee feel that *bona fide* disputes often arise as to whether a person has ceased to be in the service or employment of the landlord and whether he is liable to be evicted on the ground specified in item (i) of the proviso to sub-clause (1) of this clause. The Committee consider that if the Controller thinks that there is any *bona fide* dispute regarding the matter the tenant should not be evicted.

Sub-clause (9) has been inserted accordingly.

(6) *Sub-clause* (10) (*New sub-clause*).—The Committee consider that a tenant should not be evicted on the ground specified in item (j) of the proviso to sub-clause (1) of this clause, if the tenant repaires the damage caused to the premises or pays to the landlord suitable compensation.

Sub-clause (10) has been inserted accordingly.

(7) *Sub-clause* (11) (*New sub-clause*).—The Committee also consider that a tenant should not be evicted on the ground specified in item (*k*) of the proviso to sub-clause (1), if the tenant within

the period specified by the Controller complies with the condition imposed on the landlord by any of the authority referred to in that clause or pays to that authority such amount by way of damages or compensation as the Controller may decide.

21. *Clause* 15.—The amendments are of a drafting nature.

22. *Clause* 16 (*New Clause*).—Before the Act of 1952, a sub-tenancy could be validly created with the consent of the landlord but it was not necessary to obtain a written consent. The Committee feel that it is often very difficult to ascertain whether a sub-tenancy was lawfully created. The Committee, therefore, are of opinion that a sub-tenancy which was created before the 8th June, 1952 and is in existence at the commencement of this Act should be deemed to have been lawfully created, notwithstanding that such sub-tenancy was created without the consent of the landlord.

The Committee were further of opinion that there should be a specific provision preventing the landlord from claiming or demanding any premium or other consideration for giving his consent to the sub-letting of the whole or any part of the premises.

Clause 16 has been inserted accordingly.

23. *Clauses* 17 *and* 18 (*Original Clauses* 16 *and* 17).—The changes are of a consequential nature.

24. *Clause* 19 (*Original Clause* 18).—The Committee consider that where a landlord recovers possession of any premises on the ground of *bona fide* requirement, the tenant should have a right to be put back into possession of the premises if the Controller is satisfied that the possession of such premises has been transferred to another person within three years from the date of obtaining possession for reasons which are not *bona fide*.

Sub-clause (2) has been amended accordingly.

25. *Clause* 20 (*Original Clause* 19).—The Committee are of the view that after the completion of work or repairs, it may not be possible in all cases to place the tenant in occupation of the premises or part thereof on the original terms and conditions.

The words "on the original terms and conditions" have been omitted accordingly.

26. *Clause* 24 (*Original Clause* 23).—The Committee are of opinion that the provisions of this clause should not be restricted only to specified areas but should apply to all areas in which the Act is enforced.

Sub-clause (1) has been omitted accordingly.

27. *Clause* 28 (*Original Clause* 27).—The Committee feel that the limitation of 15 days provided for making valid deposit or rent was short and should be increased to 21 days.

The words "or negligently" have been omitted to avoid causing unnecessary hardship to tenants.

28. *Clause* 34 (*Original Clause* 33).—The Committee feel that offences committed under the provisions of Suppression of Immoral Traffic in Women and Girls Act, 1956, by a lodger should also entitle a manager or owner of a lodging house to recover possession of the accommodation provided by him.

The clause has been amended accordingly.

29. *Clause* 35 (*Original Clause* 34).—The Committee consider that a practising lawyer of seven years' standing should also be eligible for appointment as a Controller.

Sub-clause (3) has been amended accordingly.

30. *Clause* 44 (*Original Clause* 43).—The Committee are of view that it is the duty of the landlord to keep the premises in good and tenantable repairs, and these responsibilities should not be cast on the tenant even by agreement.

Sub-clause (1) has been amended accordingly.

Under the original sub-clause (3), where major repairs were required in any premises to make them habitable, the Controller was vested with powers to sanction for their repairs an amount not exceeding two years' rent payable by the tenant for such repairs. The Committee consider that it is not necessary to impose such limitations on the powers of the Controller and it should be left to the discretion of the Controller to sanction such a sum as he considers necessary for the repairs of the premises. The Committee, however, feel that in any particular year, the amount deducted from rent should not exceed one-half of the rent payable by the tenant for that year.

The Committee further feel that if any repairs not covered by the sanctioned amount are necessary in the opinion of the Controller and the tenant agrees to bear the excess cost himself, the Controller may permit the tenant to make such repairs.

31. *Clause* 45 (*Original Clause* 44).—It sometimes happens that an essential supply is withheld on account of some act or omission attributable to the landlord, although he himself does not withhold such a supply. The Committee feel that even in such a case, the landlord should be held responsible.

A new explanation has been added to this clause accordingly.

32. *Clause* 48 (*Original Clause* 47).—The period of imprisonment provided under clause 1(b) has been increased from three months to six months as being more deterrent. Other changes are consequential in nature.

33. *Clause* 53 (*New Clause*).—The Committee considered the question of including vacant land within the scope of the definition of premises with a view to giving relief to amildars. The Committee feel that the question of giving such relief to amildars should be separately considered but as it will take some time, the Delhi Tenants (Temporary Protection) Act, 1956, in so far as it relates to vacant ground, should be extended for another year with effect from the 11th February, 1959, when that Act is due to expire.

This clause has been inserted accordingly to amend the aforesaid Act.

34. *Clause* 55 (*New Clause*).—Under provisions of the Delhi Tenants (Temporary Protection) Act, 1956, some decrees for recovery of possession of premises were stayed. The Committee feel that on the expiry of that Act when those decrees are sought to be executed the person against whom such decree has been passed should be entitled to have his case reopened and get it decided in accordance with the provisions of this Act.

New clause 55 has been inserted accordingly.

35. *The First Schedule.*—The Committee consider the present Bill when enacted should apply to the areas included within the limits of the South Delhi Municipal Committee and the Notified Area Committee, Mehrauli.

This Schedule has been amended accordingly.

36. The Joint Committee recommend that the Bill, as amended, be passed.

NEW DELHI;
The 26th November, 1958.

GOVIND BALLABH PANT,
Chairman,
Joint Committee.

MINUTES OF DISSENT

I

I am of the opinion that no law should be repealed with retrospective effect otherwise no existing law will be respected with the fear that it may also be repealed before time.

The state of affairs with regard to houses completed after 1st June, 1951 but before 9th June, 1955 is not such as necessitates withdrawal of the exemption given by Parliament before the time of expiry. The allegation that there have been many evictions from these premises is false.

I strongly feel that clauses 50(2) and 50(3) and first proviso of clause 57(2) are unnecessary and unjustified and should be deleted.

NEW DELHI; MIRZA AHMED ALI

The 24th November, 1958.

II

The Delhi Rent Control Bill, 1958 as it has now emerged from the Joint Committee is a considerable improvement on the original.

Nevertheless, we are only sorry that we could not convince our colleagues on the Committee to bring about further improvement in the Bill.

We feel that clause 3 should be dropped. We think it is unfair that the Government which is the biggest house owner in the capital should be exempted from the operation of the provisions of this legislation.

This exemption, in our opinion, is bad in principle.

We are opposed in principle to giving any holiday of rent on new constructions. The argument advanced in favour of this holiday is that the landlords should have some incentive to construct houses. But the experience of the last few years shows that despite the fact that landlords have been enjoying this holiday, in practice not a single low income group house has been constructed by the landlords.

Majority of our colleagues on the Committee could not even accept that if at all a holiday is to be enjoyed let it go to only those landlords who construct low income group houses.

We insist that this holiday is indefensible in principle and taxing the tenant in practice.

We firmly believe that the real incentive for construction activity would be a check on the price of land. It was brought to the notice of the Committee that the price of land has gone up tremendously in Delhi since the pre-war days. In fact the price of land is prohibition in practice.

We were only amazed to learn that the Government themselves own vast plots of land and are making profit on it.

It was last year in October that the Mysore Session of the Housing Ministers' Conference recommended the freezing of price of land in order to encourage construction activity. Only then low income housing co-operatives will succeed. And only then would the poor and lower middle classes get certain encouragement.

We strongly feel that a beginning should be made in the capital of one country. And it is vital and urgent.

As regards clause 6, we admit that the present scheme is a great improvement over the previous provisions. For example it is only fair that a difference in rent payable is introduced in case of residential and business premises.

Nevertheless we maintain that this clause should be as follows:

"6. 'Standard rent' in relation to any premises means rent chargeable under this section.

in cases wherein the premises have been let out and used as such for residential purposes the rent calculated at 6¼% on the aggregate value comprising of the reasonable cost

of construction and the value of land on which the building is constructed at 400% of the value of that land in September, 1939, or its market value at the time of construction, whichever is less".

The principle underlying this is that there should be a limit on the cost of land that goes to determine the standard rent. It could not be allowed to inflate artificially and quite out of proportion to the general rise in the costs.

We agree that business premises should be charged more.

We do feel that the Bill has been improved considerably even in respect of the eviction clauses.

But much would depend here on the administration as to how it carries out the spirit of the legislation.

We, therefore, feel that there is much force in the argument that the Rent Controller should be not under the executive but under the supervision of the judiciary.

Lastly we wish to emphasize that we earnestly hope that due consideration would be given to our suggestion that the Government should create a fund from out of the appropriation of a percentage of rent charged to advance cheap credits for substantial repairs. Otherwise repairs of dilapidated ramshackle premises would remain a pious hope.

We command these suggestions to the two Houses of Parliament for consideration and adoption.

RAJ BAHADUR GOUR
SHAMRAO VISHNU PARULEKAR
V. P. NAYAR
MULKA GOVINDA REDDY
G. K. MANAY

NEW DELHI;
The 24th November, 1958.

III

I regret I do not concur with the decisions of the Joint Committee with regard to provisos (a) & (b) of clause 6 of the Bill as it has now emerged from the Committee.

The effect of these provisos is to take outside the purview of the Rent Controller all cases for the fixation of standard rent wherein—

Firstly—The building in question has been constructed after the 2nd of June, 1951 but before 9th June, 1955. In such cases the rent control does not apply for a period of 7 years from the date of construction of such building and the landlord has the freedom to fix any rent he chooses right upto March, 1958, and

Secondly—the building is constructed after 9th June, 1958 and even after the commencement of the Act. In such case the rent agreed to between the tenant and the landlord is to be taken as the standard rent for a period of five years from the date of the first letting-out of such premises.

The reason advanced for this "Rent Holiday" is to produce sufficient incentive in the landlords to bring-out their hoarded wealth for putting up new structures in the city of Delhi and thus reducing the housing problem to some extent. But to my mind the reverse is the case. This rent holiday has already skyrocketted the rents of buildings which needy tenants were compelled to pay and has also indirectly raised the price of building land in Delhi to astronomical figures in the past few years. Big moneyed people are freely speculating on land and buildings safe in the knowledge that laws like rent control do not touch them in the least degree.

To my mind the main object of rent control is to protect the interests of the tenant and to give him much needed relief. By keeping the above mentioned provisos in the law we are not only allowing a certain class of landlords freedom to charge what rents they choose but are also making an undesirable exception between landlord and landlord. I therefore feel that keeping in view the spirit of this measure some ceiling on rent should also be laid down for their buildings which have now been left out under the provisos first above mentioned.

NEW DELHI; ANAND CHAND

The 24th November, 1958.

IV

The Bill, as it now emerges from the Joint Committee, has been much improved but all the same there are certain points, some of which are fundamental ones, on which we differ and that is why we are appending this note of dissent.

Clause (3).—We feel that the time has come when control should be extended to the premises belonging to the Government. The Government of the day is easily the biggest house owner and there is every likelihood of its building activities to increase. In the memorandum submitted to us by the Delhi House Owners' Federation instances have been given where the Government is charging much more rent than what is charged by the private owners for similar accommodation. We were somewhat surprised to read in this memorandum that the rent demanded by the Government for the Pyare Lal Buildings, which have been donated to the Government, are nearly twenty times of what then rent was charged by the private owners. Moreover, the tenants of such premises are also in need of fixity of tenure and should not be evicted arbitrarily As such we recommend that clause (3) be amended as follows:

Page 2, *Clause* (3):—

(1) Line 33, *omit* "Nothing in" and

(2) Line 34, *for* "or" *substitute* "and".

Clause 14.—It has been brought to our notice that there are certain houses to which this Bill applies which are owned by widows, orphans and small landlords, whose entire income consists of the rent they get from such houses. We would, therefore, recommend that some relief be given to them by amending this clause.

Clauses 35 (1), (2) *and* 38 (1):—

In the old Act, which this Bill replaces, the Civil Courts had the jurisdiction to decide all matters of dispute between the landlord and tenant. Now this jurisdiction is being taken away and vested in the Controller and the Rent Control Tribunal, both of whom will be appointed by the Central Government. It is true these will not be appointed unless they have held judicial office but all the same they will be executive officers. In our country, where political influences also count, such officers are not expected to ignore such influences unless they are appointed on the nomination of the Hon'ble High Court. We, therefore, suggest that these clauses be so amended as to provide for such appointments to be made on the nomination of the Hon'ble High Court.

NEW DELHI;
The 24th November, 1958.

FARIDUL HAQ ANSARI
KHUSHWAQT RAI.

V

It is gratifying to observe that the Bill as amended by the Joint Committee marks a considerable improvement upon the original draft and would, when enacted, afford appreciable protection to the tenants. I would, however, be failing in my duty if I did not pin-point one or two aspects of the Bill which are likely to detract from its usefulness and which I think should have been avoided.

In the first instance, the presumption underlying the idea of giving landlords a "holiday from Rent Control" under section 6 of the Act is entirely unsustainable. If past experience can offer any guidance, such a holiday has instead of encouraging house-building activity on a desired or necessary scale, retarded it. The need of the hour is house-building activity on a mass scale directed towards fulfilling one of the basic needs of the vast mass of people belonging to the middle, lower middle, and working classes. A holiday of the type envisaged in section 6 of the Act will defeat this very purpose, since it would be utilized by local "barons" of the House Building industry to construct bungalows and flats carrying huge rents which only the richer classes would be in a position to pay. The vast mass of common people would thus remain where they are.

Secondly, such a 'holiday' has had the direct effect of raising the value of land in the city and its surroundings. As it is, there had already been "racketeering" in land, on a staggering scale in Delhi. "Holiday" from rent control has given a lot of fillip to such racketeering. An analysis of house-building costs will convince anyone that the value of land among the various elements is generally disproportionately high. The real remedy would therefore lie in a drastic control of value or cost of land so that it bears a reasonable relation to the general rise in cost of living instead of perpetually being ahead in this respect.

House-building activity should be encouraged not by giving a holiday at the expense of the poor tenant, but taking bold measures to reduce the cost of building. I am sorry to say that this important aspect of the issue has been ignored by the Committee.

NEW DELHI; SUBHADRA JOSHI.

The 24th November, 1958.

VI

"An experiment in law-making with a view to establishing some control on the rent chargeable for premises let to tenants primarily in Calcutta and other Municipal Areas has been going on in this province since 1943 and so far there have been five products of that

experiment. As each of the successive pieces of legislation superseded its predecessor there has on each occasion been some attempt to adjust the new law to the old or to extend some of the benefits of the new law to those against whom the old law had already been set in motion", thus remarked the Chief Justice of Calcutta High Court in a full bench case while interpreting a certain section of the West Bengal Premises Rent Control Act. *Mutatis mutandis*, it applies to the Bill with which we are presently concerned. No doubt, the scope of the Bill lies within a narrow compass but it is not free from complications. In drafting a Bill of this sort, we should be careful to see that even-handed justice is meted out to the tenants and the landlords. If we are all out for the production of the good tenants, we cannot penalise the landlords, far less a house-owner, big or small. What we are to do is to put a check on the soaring greed of the landlords and to guard against the misuse of his vantage position which he occupies in relation to the tenant in these abnormal times. On this principle this Bill should be judged.

The primary object of a Bill of this kind is (a) to fix a standard rent and (b) to guard against unnecessary eviction. Deposit of rent and other subjects occupy a secondary position. Now if we put a limitation of two years for filing applications for fixation of standard rent, then much force in this Bill will vanish and will result in artificially bringing down the number of litigations which will not be conducive to the best interest of the society. The importance of it then only remains in matter of eviction. If that be the intention, then I submit that much of our toil and energies have been consumed for a matter which could have been settled in a simple way.

Now I discuss some of the clauses of the Bill:—

Clause 2 (e).—It is difficult to understand the meaning of the definition. To me, it is beautifully cumbrous, if not meaningless. If by putting much strain on commonsense, some meaning is attributed to it, then it comes to this, that every house-owner is a landlord although he never intends to let out his house to tenants throughout his life and he may come within the mischief of some of the provisions of this Act without receiving any corresponding benefit. No house-owner will be safe within the area where this law has been made applicable.

It was known that Acts of similar nature of several States were consulted at the time of drafting this Bill. One of the State Acts defines "landlord—includes a person who for the time being is

entitled to receive, or but for a special contract, would be entitled to receive, the rent of any premises, whether or not on his account." This is simple and is recommended for acceptance by the House or the latter part of the definition in this Bill "or who would so receive the rent or be entitled to receive the rent, if the premises were let to a tenant" be deleted.

Clause 2(1).—I am glad that this clause has been amended. But the addition of the words, namely, "includes a sub-tenant", to me is an unnecessary though mischievous appendage. There would be no difference even if it is deleted. Had it been an inoffensive tautalogy, there may not be any objection. But there is every possibility of its being differently interpreted by different Controllers and Judges. It is no use saying that "sub-tenant" in this definition means a sub-tenant as contemplated in this Act, when we have deliberately omitted that and thereby left the Controllers and Judges to speculate.

Clause 3.—I do not know why government should be a favoured landlord or a favoured tenant. We have found that many houses have been requisitioned under cloak of public purpose which causes immense trouble to the house-owner and the tenants. The government will not be affected in any way if this is deleted, rather the people will be affected if it be allowed to stand. Moreover, this point has been made clear by one of the witnesses Mr. Kaushish to which the government have furnished no answer.

Clause 5(1) (2) (3).—No house-owner or tenant within the area where this Act will be made applicable will feel safe if the word 'claim' be allowed to remain. It may increase false and vindictive litigations. It should be deleted.

Clause 5(4) (6).—This is indirect encouragement to *'Pugree'*. If after the completion of the house, the house-owner turns round and does not let it out to the person making the advance, where is the remedy? Shall he file a suit for specific performance of contract or for refund of the advance which might take some years to be finished? Also no provision has been made for refund of the advance, even if the house is let out to the said person. This is only complicating the matter and should be deleted.

Clause 7(1).—It will be highly oppressive to the tenant and sometimes it is meaningless. "Whether before the commencement of this Act" has no meaning because before the commencement of this Act, there was no Controller as contemplated here and the question of his written approval does not and cannot arise and before the commencement of this Act the question of written approval of the tenant never arose nor was anticipated.

Further, it will encourage litigation. It may be presumed, no tenant will give any written approval knowing fully well that he will have to pay more rent whether he needs the improvements, additions or alterations or not. As such the landlord at any time will rush to the Controller for the said purpose and the Controller has no right to refuse as there is no provision for refusal. It may be helpful to the landlord for evicting the tenant in an indirect way, namely:—

(a) The rent will be enhanced which might not be within the competence of the tenant to pay for which he will have to quit.

(b) The tenant will be dragged to the law courts and if the tenant wants to avoid the harassment, he is to go elsewhere.

(c) This clause along with 14(g) will be of substantial help to the landlord for eviction.

Further, it is to be reconciled with clause 23. A poor incentive has been provided for house-building. In spite of aiding, it defeats relief to the tenant. It may be deleted.

Clause 10.—It is duplication of work putting an unnecessary impediment to speedy disposal. The cases of this nature are disposed of quickly like small cause court suits and there is no necessity of fixation of interim rent. The evidence for fixation of standard rent and interim rent will, to all intents and purposes, be the same.

Clause 12.—This is one of the instances of bad drafting that is found across the Act. If the tenant forfeits his right after lapse of two years, one is at a loss to understand how it can be reconciled with clauses 4, 5(1), 14(1) (a), and 15(2) (3). If this clause is allowed to prevail, then provisions of the afore-mentioned clauses are relegated to the category of wishful thinking or expression of pious desire. On the other hand, if the provisions of these clauses are allowed to prevail, then there is no meaning in retention of "two years"

Moreover, on principle there should not be any limitation. The period of two years is too short a period for calculating the standard rent in relation to basic rent and original rent which will in all probability baffle the intelligence even of the Chartered Accountants, not to speak of the lay public. The taking of rent in excess of standard rent has been made penal. An offence should not cease to be an offence after lapse of time unless there be some very cogent reason, which I do not find any.

Clause 14(e).—Some amendments have the result of adding more complications to this over-complicated clause. There may be

bona fide requirements by landlord for widowed sister or any relative dependent on him but he cannot want it even for his wife, if she be an earning member, which goes against the fundamental principles. The words "dependent on him" may be deleted.

Truth to tell, I have not been able to appreciate what benefit the tenant will derive by saying "reasonably suitable", rather it goes against his interest. Is the word "suitable" divorced from "reasonableness"? Can there be any "reasonably unsuitable" or "unreasonably suitable"? There is every chance of our swift wisdom being interpreted differently by different Controllers when we have left them in the field of speculation.

Clause 14(2) *proviso*.—The tenant cannot get the benefit of three months unless little time is extended. If the tenant be coaxed or cajoled into indolence or inactivity or for want of necessary fund cannot got to the landlord before the last date of the expiry of three months and the landlord refuses to accept the rent tendered by him, the tenant will be left without any remedy. Hence it should be after consecutive three months—and the landlord without reasonable cause did not agree or failed to accept the rent for the period though tendered by money order within 15 days from the period of default.

Clause 15.—It is self-contradictory. Sub-clause (1) may be interpreted as legalising the excess of standard rent and also it is not helpful to the tenants in other aspects. I do not know who is the landlord who will lease his claim of eviction simply on the ground of default, when he can file a suit for arrears of rent and perhaps by paying less court fee. If the landlord bases his claim of eviction on the ground of default and also on other grounds then it is doubted whether this sub-clause is of any avail to the tenant. The amendment that will be necessary here is also the rent should be legally recoverable and the tenant will be in a position to deposit rent even if grounds other than default be taken in the suit for eviction.

Clause 13(3) (4) (5).—They will cause duplication of work. In sub-clause (5) is it the intention that there will be first hearing regarding the dispute raised by the tenant whether it is false or frivolous, then defence will be struck out and then second hearing of the application? But if the dispute raised by tenants is heard along with the hearing of other points also then there cannot be any scope for striking on the defence and after the hearing of the application. The remedy suggested is worse than the disease. The clause requires suitable changes.

These are some of the defective features as are noticed in this Bill.

One thing, I like to draw the attention of the House. There is a growing tendency of Executive Control everywhere. Even in appointment of High Court Judges, we find Executive Control. Here also the Executive Control is manifest in appointment of Controllers. The Central Government may appoint Controllers, but the appointments should be on the recommendation of the Chief Justice of Punjab High Court, if we want to keep this institution outside the pale of Executive influence. Moreover, the Controller should be a judicial officer of five years standing, and not holding a judicial office for five years. I give a concrete case which I have come across. One Munsif was transferred to the Secretariat and during the major part of his service he remained there and when there was little over one year left for his retirement, he was made the District and Sessions Judge according to time scale. It is quite natural that he proved a failure in his new post.

Another curious thing is clause 46. It is well nigh impossible to interpret it. One man constructs a house to live in, and lives in the said house for some months or years, then lets it out—will he come within the mischief of this clause? I submit he does not and should not. But it is said that he comes within the definition 'landlord'. Then every house-owner is a potential landlord, whether he becomes such after lapse of 10 or 20 years or even if does not let it out for any time to come. One is yet to understand what a house-owner has to do with an Act which deals with relationship of landlord and tenant.

Moreover, what is meant by 'completion'. If a man wants to construct a three-storeyed house, the ground floor, which he occupies and goes on with the construction of the first floor, should it be called 'completed'?

If it is the intention of the Government to keep it posted with all recent constructions, then Municipality or like authority is the best machinery from whom Government can take information.

Moreover, such a clause has been made penal and further it is apprehended, that false and vindictive prosecution may find a temptation and opportunity in the hands of designing persons. It should be deleted being an awkward encumbrance like the fifth wheel of a coach.

In the beginning I have said that it is an experiment in law making and we should have been more cautious and should have taken lessons from the past acts of omission and commission. It seems that we have not been able to fulfil our mission. Instead of bringing out harmonious relationship between the landlords and tenants, we have, though unconciously, widened the cleavage, for which the responsibility rests no less with the draftsmanship and that disables me, much as I desire, to congratulate it. Our draftsmanship should not be such as will be beyond the ken of the astutest judicial vision and we shall not place the judge, in struggle for construction, to wage a battle in difficult situation to produce swans out of geese. These words are not my own but quoted from a judgement while deciding a case on Rent Control Act of a State Legislature. The learned judge also remarked, "The heavy pressure upon the Courts today to do what ought to be works of legislature is a growing hindrance to normal administration of Justice. All normal Judicial work is frequently held up to find meaning of statutes which should have been plain and on that ground alone to-day, there is colossal waste of Judicial time. Unless much greater care, than so for evinced is exercised by those solemnly charged by the Constitution with the responsible task of framing the statutes of the land, the Courts will soon be reduced to suburban adjuncts of an inadequate Legislature, for publishing commentaries on ill-drafted and immaturely expressed statutes in the vain hope of injecting meaning into meaningless and of explaining the inexplicable".

Everybody like myself will be anxious to avoid the odium like the one stated above, as it does not redound to the credit of an august body, to which all of us have the honour to belong.

NEW DELHI: SUBIMAN GHOSE

The 24th November, 1958.

VII

Clause 3 of the Bill excludes the Government Premises and the premises taken on lease or requisitioned by Government from the operation of the Act. Delhi being the Capital, the Government have enormous building activity in this city. Government premises are let out to business and commercial concerns as well as to public for residence. I submit that the privilege claimed by Government should be relaxed so far as the above categories of tenanted premises are concerned. Likewise Government, the Public Institutions and the Local Authority have their due part in so far as building

activity is concerned but the privilege is not extended to them. In fact, we often find he misuse of his privilege in discriminatory evictions and disproportionate high rate of 'rent'. Whereas a private owner had to be satisfied with a rent of Rs. 11/- p.m. for a shop in Subzimandi Market area the average rate of rent for a shop in that Market owned by the Delhi Improvement Trust is Rs. 124/- per month. It is, therefore, urged that the exemption enjoyed by the Government be restricted and at least those premises let out to members of Public for commercial purposes or residential purposes be brought within the purview of the Bill.

Clause 6 deals with standard rent. In sub-clause 2 (a) and (b) 'holiday' from determination of 'standard rent' is given to premises built in particular period mentioned in those sub-sections. This 'holiday' is provided for only with a view to give incentive to private owners to build more houses. In a way every building relieves the tension of the 'homeless'. Though a number of private owners came forward to enjoy this 'holiday' they construct spacious buildings for high income groups. The result being the law and middle class people are still faced with the 'vexed' problem of accommodation. From the evidence tendered before the Committee by the Delhi House Owners' Federation it will be found that there was negligible building of houses for the middle class or low income group people. It means that this 'holiday' was utilized only for big profits by big landlords. It did not in fact relieve the tension of scarcity of housing accommodation. I submit that this 'holiday' is no more necessary and should be done away with. More so when practically it has come to end or is almost on the verge of end in a number of premises! If the good intentions of Government were in fact taken to their own advantage by the Landlords, Government should not be keen on 'promise' given for the holiday. These discriminatory 'holiday' provisions be deleted.

Under the existing law a tenant can be evicted if his conduct is a nuisance or causes annoyance to others. This provision has been omitted in the Bill. This omission appears absolutely unjustified. Rowdy, quarrelsome and trouble-making tenants need not be thrust upon the landlords. This ground of eviction needs to be retained in the present Bill.

NEW DELHI; UTTAMRAO L. PATIL

The 24th November, 1958.

Bill No. 96 B of 1958

THE DELHI RENT CONTROL BILL, 1958

(AS AMENDED BY THE JOINT COMMITTEE)

(Words under-lined or side-lined indicate the amendments suggested by the Committee; asterisks indicate omissions).

A

BILL

to provide for the control of rents and evictions and of rates of hotels and lodging houses, and for the lease of vacant premises to Government, in certain areas in the Union territory of Delhi.

BE it enacted by Parliament in the Ninth Year of the Republic of India as follows:—

CHAPTER I

PRELIMINARY

1. (*1*) This Act may be called the Delhi Rent Control Act, 1958. Short title, extent and commencement.

(*2*) It extends to the areas included within the limits of the New Delhi Municipal Committee and the Delhi Cantonment Board and to such urban areas within the limits of the Municipal Corporation of Delhi as are specified in the First Schedule:

Provided that the Central Government may, by notification in the Official Gazette, extend this Act or any provision thereof, to any other urban area included within the limits of the Municipal Corporation of Delhi or exclude any area from the operation of this Act or any provision thereof.

(*3*) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

Definitions.

2. In this Act, unless the context otherwise requires,—

(*a*) "basic rent", in relation to premises let out before the 2nd day of June, 1944, means the basic rent of such premises as determined in accordance with the provisions of the Second Schedule;

(*b*) "Controller" means a Controller appointed under sub-section (*1*) of section 35 and includes an additional Controller appointed under sub-section (*2*) of that section;

(*c*) "fair rate" means the fair rate fixed under section 31 and includes the rate as revised under section 32;

(*d*) "hotel or lodging house" means a building or part of a building where lodging with or without board or other services is provided for a monetary consideration;

(*e*) "landlord" means a person who, for the time being is receiving, or is entitled to receive, the rent of any premises, whether on his own account or on account of or on behalf of, or for the benefit of, any other person or as a trustee, guardian or receiver for any other person or who would so receive the rent or be entitled to receive the rent, if the premises were let to a tenant;

(*f*) "lawful increase" means an increase in rent permitted under the provisions of this Act;

(*g*) "manager of a hotel" includes any person in charge of the management of the hotel;

(*h*) "owner of a lodging house" means a person who receives or is entitled to receive whether on his own account or on behalf of himself and others or as an agent or a trustee for any other person, any monetary consideration from any person on account of board, lodging or other services provided in the lodging house;

(*i*) "premises" means any building or part of a building which is, or is intended to be, let separately for use as a residence or for commercial use or for any other purpose, and includes—

(*i*) the garden, grounds and outhouses, if any, appertaining to such building or part of the building;

(*ii*) any furniture supplied by the landlord for use in such building or part of the building;

but does not include a room in a hotel or lodging house;

(*j*) "prescribed" means prescribed by rules made under this Act;

(*k*) "standard rent", in relation to any premises, means the standard rent referred to in section 6 or where the standard rent has been increased under section 7, such increased rent;

(*l*) "tenant" means any person by whom or on whose account or behalf the rent of any premises is, or but for a special contract would be, payable and includes a sub-tenant and also any person continuing in possession after the termination of his tenancy but shall not include any person against whom any order or decree for eviction has been made;

(*m*) "urban area" has the same meaning as in the Delhi Municipal Corporation Act, 1957. 66 of 1957.

3. Nothing in this Act shall apply— **Act not to apply to certain premises.**

(*a*) to any premises belonging to the Government; or

(*b*) to any tenancy or other like relationship created by a grant from the Government in respect of the premises taken on lease, or requisitioned, by the Government.

CHAPTER II

PROVISIONS REGARDING RENT

4. (*1*) Except where rent is liable to periodical increase by virtue of an agreement entered into before the 1st day of January, 1939, no tenant shall, notwithstanding any agreement to the contrary, be liable to pay to his landlord for the occupation of any premises any amount in excess of the standard rent of the premises, unless such amount is a lawful increase of the standard rent in accordance with the provisions of this Act. **Rent in excess of standard rent not recoverable.**

(*2*) Subject to the provisions of sub-section (*1*), any agreement for the payment of rent in excess of the standard rent * * * shall be construed as if it were an agreement for the payment of the standard rent only.

5. (*1*) Subject to the provisions of this Act, no person shall claim or receive any rent in excess of the standard rent, notwithstanding any agreement to the contrary. **Unlawful charges not to be claimed or received.**

(*2*) No person shall, in consideration of the grant, renewal or continuance of a tenancy or sub-tenancy of any premises,—

(*a*) claim or receive the payment of any sum as premium or *pugree* or claim or receive any consideration whatsoever, in cash or in kind, in addition to the rent; or

(b) except with the previous permission of the Controller, claim or receive the payment of any sum exceeding one month's rent of such premises as rent in advance.

(3) It shall not be lawful for the tenant or any other person acting or purporting to act on behalf of the tenant or a sub-tenant to claim or receive any payment in consideration of the relinquishment, transfer or assignment of his tenancy or sub-tenancy, as the case may be, of any premises.

(4) Nothing in this section shall apply—

(a) to any payment made in pursuance of an agreement entered into before the 1st day of January, 1939; or

(b) to any payment made under an agreement by any person to a landlord for the purpose of financing the construction of the whole or part of any premises on the land belonging to, or taken on lease by, the landlord, if one of the conditions of the agreement is that the landlord is to let to that person the whole or part of the premises when completed for the use of that person or any member of his family:

Provided that such payment does not exceed the amount of agreed rent for a period of five years of the whole or part of the premises to be let to such person.

Explanation.—For the purposes of clause (b) of this sub-section, a "member of the family" of a person means, in the case of an undivided Hindu family, any member of the family of that person and in the case of any other family, the husband, wife, son, daughter, father, mother, brother, sister or any other relative dependent on that person.

Standard rent.

6. (1) Subject to the provisions of sub-section (2), "standard rent", in relation to any premises means—

(A) in the case of residential premises—

(1) where such premises have been let out at any time before the 2nd day of June, 1944,—

(a) if the basic rent of such premises per annum does not exceed six hundred rupees, the basic rent; or

(b) if the basic rent of such premises per annum exceeds six hundred rupees, the basic rent together with ten per cent. of such basic rent;

(2) where such premises have been let out at any time on or after the 2nd day of June, 1944,—

(a) in any case where the rent of such premises has been fixed under the Delhi and Ajmer-Merwara Rent Control Act, 1947, or the Delhi and Ajmer Rent Control Act, 1952,—

19 of 1947.
38 of 1952.

(i) if such rent per annum does not exceed twelve hundred rupees, the rent so fixed; or

(ii) if such rent per annum exceeds twelve hundred rupees, the rent so fixed together with ten per cent. of such rent;

(b) in any other case, the rent calculated on the basis of seven and one-half per cent. per annum of the aggregate amount of the reasonable cost of construction and the market price of the land comprised in the premises on the date of the commencement of the construction:

Provided that where the rent so calculated exceeds twelve hundred rupees per annum, this clause shall have effect as if for the words "seven and one-half per cent.", the words "eight and one-fourth per cent." had been substituted;

(B) in the case of premises other than residential premises—

(1) where the premises have been let out at any time before the 2nd day of June, 1944, the basic rent of such premises together with ten per cent. of such basic rent:

Provided that where the rent so calculated exceeds twelve hundred rupees per annum, this clause shall have effect as if for the words "ten per cent.", the words "fifteen per cent." had been substituted;

(2) where the premises have been let out at any time on or after the 2nd day of June, 1944,—

(a) in any case where the rent of such premises has been fixed under the Delhi and Ajmer-Merwara Rent Control Act, 1947 or the Delhi and Ajmer Rent Control Act, 1952,—

19 of 1947.
38 of 1952.

(i) if such rent per annum does not exceed twelve hundred rupees, the rent so fixed; or

(ii) if such rent per annum exceeds twelve hundred rupees, the rent so fixed together with fifteen per cent. of such rent;

(*b*) in any other case, the rent calculated on the basis of seven and one-half per cent. per annum of the aggregate amount of the reasonable cost of construction and the market price of the land comprised in the premises on the date of the commencement of the construction:

Provided that where the rent so calculated exceeds twelve hundred rupees per annum, this clause shall have effect as if for the words "seven and one-half per cent.", the words "eight and five-eighth per cent." had been substituted.

(*2*) Notwithstanding anything contained in sub-section (*1*),—

(*a*) in the case of any premises, whether residential or not, constructed on or after the 2nd day of June, 1951, but before the 9th day of June, 1955, the annual rent calculated with reference to the rent at which the premises were let for the month of March, 1958, or if they were not so let, with reference to the rent at which they were last let out, shall be deemed to be the standard rent for a period of seven years from the date of the completion of the construction of such premises; and

(*b*) in the case of any premises, whether residential or not, constructed on or after the 9th day of June, 1955, including premises constructed after the commencement of this Act, the annual rent calculated with reference to the rent agreed upon between the landlord and the tenant when such premises were first let out shall be deemed to be the standard rent for a period of five years from the date of such letting out.

(*3*) For the purposes of this section, residential premises include premises let out for the purposes of a public hospital, an educational institution, a public library, reading room or an orphanage.

Lawful increase of standard rent in certain cases and recovery of other charges.

7. (*1*) Where a landlord with the written approval of the tenant or of the Controller has at any time, whether before or after the commencement of this Act, incurred expenditure for any improvement, addition or structural alteration in the premises, not being expenditure on decoration or tenantable repairs necessary or usual for such premises, and the cost of that improvement, addition or alteration has not been taken into account in determining the rent of the premises, the landlord may lawfully increase the standard rent per year by an amount not exceeding seven and one-half per cent. of such cost.

(*2*) Where a landlord pays in respect of the premises any charge for electricity or water consumed in the premises or any other charge levied by a local authority having jurisdiction in the area which is ordinarily payable by the tenant, he may recover from the tenant the

amount so paid by him; but the landlord shall not recover from the tenant whether by means of an increase in rent or otherwise the amount of any tax on building or land imposed in respect of the premises occupied by the tenant. * * * *

Provided that nothing in this sub-section shall affect the liability of any tenant under an agreement entered into before the 1st day of January, 1952, whether express or implied, to pay from time to time the amount of any such tax as aforesaid.

* * * * *

Notice of increase of rent.

8. (*1*) Where a landlord wishes to increase the rent of any premises, he shall give the tenant notice of his intention to make the increase and in so far as such increase is lawful under this Act, it shall be due and recoverable only in respect of the period of the tenancy after the expiry of thirty days from the date on which the notice is given.

(*2*) Every notice under sub-section (*1*) shall be in writing signed by or on behalf of the landlord and given in the manner provided in section 106 of the Transfer of Property Act, 1882.

4 of 1882.

* * * * *

Controller to fix standard rent, etc.

9. (*1*) The Controller shall, on an application made to him in this behalf, either by the landlord or by the tenant, in the prescribed manner, fix in respect of any premises—

(*i*) the standard rent referred to in section 6; or

(*ii*) the increase, if any, referred to in section 7.

(*2*) In fixing the standard rent of any premises or the lawful increase thereof, the Controller shall fix an amount which appears to him to be reasonable having regard to the provisions of section 6 or section 7 and the circumstances of the case.

(*3*) In fixing the standard rent of any premises part of which has been lawfully sub-let, the Controller may also fix the standard rent of the part sub-let.

(*4*) Where for any reason it is not possible to determine the standard rent of any premises on the principles set forth under section 6, the Controller may fix such rent as would be reasonable having regard to the situation, locality and condition of the premises and the amenities provided therein and where there are similar or nearly similar premises in the locality, having regard also to the standard rent payable in respect of such premises.

(5) The standard rent shall in all cases be fixed for a tenancy of twelve months:

Provided that where any premises are let or re-let for a period of less than twelve months, the standard rent for such tenancy shall bear the same proportion to the annual standard rent as the period of tenancy bears to twelve months.

(6) In fixing the standard rent of any premises under this section, the Controller shall fix the standard rent thereof in an unfurnished state and may also determine an additional charge to be payable on account of any fittings or furniture supplied by the landlord and it shall be lawful for the landlord to recover such additional charge from the tenant.

(7) In fixing the standard rent of any premises under this section, the Controller shall specify a date from which the standard rent so fixed shall be deemed to have effect:

Provided that in no case the date so specified shall be earlier than one year prior to the date of the filing of the application for the fixation of the standard rent.

Fixation of interim rent.

10. If an application for fixing the standard rent or for determining the lawful increase of such rent is made under section 9, the Controller shall, as expeditiously as possible, make an order specifying the amount of the rent or the lawful increase to be paid by the tenant to the landlord pending final decision on the application and shall appoint the date from which the rent or lawful increase so specified shall be deemed to have effect.

Limitation of liability of middlemen.

11. No collector of rent or middleman shall be liable to pay to his principal, in respect of any premises, any sum by way of rental charges which exceeds the amount which he is entitled under this Act to realise from the tenant or tenants of the premises.

Limitation for application for fixation of standard rent.

12. Any landlord or tenant may file an application to the Controller for fixing the standard rent of the premises or for determining the lawful increase of such rent,—

(a) in the case of any premises which were let, or in which the cause of action for lawful increase of rent arose, before the commencement of this Act, within two years from such commencement;

(*b*) in the case of any premises let after the commencement of this Act,—

(*i*) where the application is made by the landlord, within two years from the date on which the premises were let to the tenant against whom the application is made;

(*ii*) where the application is made by the tenant, within two years from the date on which the premises were let to that tenant; and

(*c*) in the case of any premises in which the cause of action for lawful increase of rent arises after the commencement of this Act, within two years from the date on which the cause of action arises:

Provided that the Controller may entertain the application after the expiry of the said period of two years, if he is satisfied that the applicant was prevented by sufficient cause from filing the application in time.

Refund of rent, premium, etc., not recoverable under the Act.

13. Where any sum or other consideration has been paid, whether before or after the commencement of this Act, by or on behalf of a tenant to a landlord, in contravention of any of the provisions of this Act or of the Delhi and Ajmer Rent Control Act, 1952, the Controller may, on an application made to him within a period of one year from the date of such payment, order the landlord to refund such sum or the value of such consideration to the tenant or order adjustment of such sum or the value of such consideration against the rent payable by the tenant.

38 of 1952.

CHAPTER III

CONTROL OF EVICTION OF TENANTS

Protection of tenant against eviction.

14. (*1*) Notwithstanding anything to the contrary contained in any other law or contract, no order or decree for the recovery of possession of any premises shall be made by any court or Controller in favour of the landlord against a tenant:

Provided that the Controller may, on an application made to him in the prescribed manner, make an order for the recovery of possession of the premises on one or more of the following grounds only, namely:—

(*a*) that the tenant has neither paid nor tendered the whole of the arrears of the rent legally recoverable from him within two months of the date on which a notice of demand for the arrears

of rent has been served on him by the landlord in the manner provided in section 106 of the Transfer of Property Act, 1882; 4 of 1882.

(b) that the tenant has, on or after the 9th day of June, 1952, sub-let, assigned or otherwise parted with the possession of the whole or any part of the premises * * * without obtaining the consent in writing of the landlord; *

* * * * *

(c) that the tenant has used the premises for a purpose other than that for which they were let—

(*i*) if the premises have been let on or after the 9th day of June, 1952, without obtaining the consent in writing of the landlord; or

(*ii*) if the premises have been let before the said date without obtaining his consent;

(*d*) that the premises were let for use as a residence and neither the tenant nor any member of his family has been residing therein for a period of six months immediately before the date of the filing of the application for the recovery of possession thereof;

(*e*) that the premises let for residential purposes are required *bona fide* by the landlord for occupation as a residence *for himself or for any member of his family dependent on him, if he is the owner thereof, or for any person for whose benefit the premises are held and that the landlord or such person has no other reasonably suitable residential accommodation;

Explanation.—For the purposes of this clause, "premises let for residential purposes" include any premises which having been let for use as a residence are, without the consent of the landlord, used incidentally for commercial or other purposes;

(*f*) that the premises have become unsafe or unfit for human habitation and are required *bona fide* by the landlord for carrying out repairs which cannot be carried out without the premises being vacated;

(*g*) that the premises are required *bona fide* by the landlord for the purpose of building or re-building or making thereto any substantial additions or alterations and that such building or re-building or addition or alteration cannot be carried out without the premises being vacated;

(*h*) that the tenant has, whether before or after the commencement of this Act, built, acquired vacant possession of, or been allotted, a * residence;

(*i*) that the premises were let to the tenant for use as a residence by reason of his being in the service or employment of the landlord, and that the tenant has ceased, whether before or after the commencement of this Act, to be in such service or employment;

(*j*) that the tenant has, whether before or after the commencement of this Act, caused or permitted to be caused substantial damage to the premises;

(*k*) that the tenant has, notwithstanding previous notice, used or dealt with the premises in a manner contrary to any condition imposed on the landlord by the Government or the Delhi Development Authority or the Municipal Corporation of Delhi while giving him a lease of the land on which the premises are situate;

(*l*) that the landlord requires the premises in order to carry out any building work at the instance of the Government or the Delhi Development Authority or the Municipal Corporation of Delhi in pursuance of any improvement scheme or development scheme and that such building work cannot be carried out without the premises being vacated.

(*2*) No order for the recovery of possession of any premises shall be made on the ground specified in clause (*a*) of the proviso to sub-section (*1*), if the tenant makes payment or deposit as required by section 15:

Provided that no tenant shall be entitled to the benefit under this sub-section, if, having obtained such benefit once in respect of any premises, he again makes a default in the payment of rent of those premises for three consecutive months.

(*3*) No order for the recovery of possession in any proceeding under sub-section (*1*) shall be binding on any sub-tenant referred to in section 17 who has given notice of his sub-tenancy to the landlord under the provisions of that section, unless the sub-tenant is made a party to the proceeding and the order for eviction is made binding on him.

(*4*) For the purposes of clause (*b*) of the proviso to sub-section (*1*), any premises which have been sub-let for being used for the purposes of business or profession shall be deemed to have been sub-let by the tenant, if the Controller is satisfied that the tenant without obtaining the consent in writing of the landlord has, after the 16th day of August, 1958, allowed any person to occupy the whole

or any part of the premises ostensibly on the ground that such person is a partner of the tenant in the business or profession but really for the purpose of sub-letting such premises to that person.

(5) No application for the recovery of possession of any premises shall lie under sub-section (1) on the ground specified in clause (c) of the proviso thereto, unless the landlord has given to the tenant a notice in the prescribed manner requiring him to stop the misuse of the premises and the tenant has refused or failed to comply with such requirement within one month of the date of service of the notice; and no order for eviction against the tenant shall be made in such a case, unless the Controller is satisfied that the misuse of the premises is of such a nature that it is a public nuisance or that it causes damage to the premises or is otherwise detrimental to the interests of the landlord.

(6) Where a landlord has acquired any premises by transfer, no application for the recovery of possession of such premises shall lie under sub-section (1) on the ground specified in clause (e) of the proviso thereto, unless a period of five years has elapsed from the date of the acquisition.

(7) Where an order for the recovery of possession of any premises is made on the ground specified in clause (e) of the proviso to sub-section (1), the landlord shall not be entitled to obtain possession thereof before the expiration of a period of six months from the date of the order.

(8) No order for the recovery of possession of any premises shall be made on the ground specified in clause (g) of the proviso to sub-section (1), unless the Controller is satisfied that the proposed reconstruction will not radically alter the purpose for which the premises were let or that such radical alteration is in the public interest, and that the plans and estimates of such reconstruction have been properly prepared and that necessary funds for the purpose are available with the landlord.

(9) No order for the recovery of possession of any premises shall be made on the ground specified in clause (i) of the proviso to sub-section (1), if the Controller is of opinion that there is any *bona fide* dispute as to whether the tenant has ceased to be in the service or employment of the landlord.

(10) No order for the recovery of possession of any premises shall be made on the ground specified in clause (j) of the proviso to sub-section (1), if the tenant, within such time as may be specified in this behalf by the Controller, carries out repairs to the demage

caused to the satisfaction of the Controller or pays to the landlord such amount by way of compensation as the Controller may direct.

(11) No order for the recovery of possession of any premises shall be made on the ground specified in clause (*k*) of the proviso to sub-section (*1*), if the tenant, within such time as may be specified in this behalf by the Controller, complies with the condition imposed on the landlord by any of the authorities referred to in that clause or pays to that authority such amount by way of compensation as the Controller may direct.

When a tenant can get the benefit of protection against eviction.

15. (*1*) In every proceeding for the recovery of possession of any premises on the ground specified in clause (*a*) of the proviso to sub-section (*1*) of section 14, the Controller shall, after giving the parties an opportunity of being heard, make an order directing the tenant to pay to the landlord or deposit with the Controller within one month of the date of the order, an amount calculated at the rate of rent at which it was last paid for the period for which the arrears of the rent were legally recoverable from the tenant including the period subsequent thereto upto the end of the month previous to that in which payment or deposit is made and to continue to pay or deposit, month by month, by the fifteenth of each succeeding month, a sum equivalent to the rent at that rate.

(*2*) If, in any proceeding for the recovery of possession of any premises on any ground other than that referred to in sub-section (*1*), the tenant contests the claim for eviction, the landlord may, at any stage of the proceeding, make an application to the Controller for an order on the tenant to pay to the landlord the amount of rent legally recoverable from the tenant and the Controller may, after giving the parties an opportunity of being heard, make an order in accordance with the provisions of the said sub-section.

(*3*) If, in any proceeding referred to in sub-section (*1*) or sub-section (*2*), there is any dispute as to the amount of rent payable by the tenant, the Controller shall, within fifteen days of the date of the first hearing of the proceeding, fix an interim rent in relation to the premises to be paid or deposited in accordance with the provisions of sub-section (*1*) or sub-section (*2*), as the case may be, until the standard rent in relation thereto is fixed having regard to the provisions of this Act, and the amount of arrears, if any, calculated on the basis of the standard rent shall be paid or deposited by the tenant within one month of the date on which the standard rent is fixed or such further time as the Controller may allow in this behalf.

(*4*) If, in any proceeding referred to in sub-section (*1*) or sub-section (*2*), there is any dispute as to the person or persons to whom the rent is payable, the Controller may direct the tenant to deposit

with the Controller the amount payable by him under sub-section (*1*) or sub-section (*2*) or sub-section (*3*), as the case may be, and in such a case, no person shall be entitled to withdraw the amount in deposit until the Controller decides the dispute and makes an order for payment of the same.

(*5*) If the Controller is satisfied that any dispute referred to in sub-section (*4*) has been raised by a tenant for reasons which are false or frivolous, the Controller may order the defence against eviction to be struck out and proceed with the hearing of the application.

(*6*) If a tenant makes payment or deposit as required by sub-section (*1*) or sub-section (*3*), no order shall be made for the recovery of possession on the ground of default in the payment of rent by the tenant, but the Controller may allow such costs as he may deem fit to the landlord.

(*7*) If a tenant fails to make payment or deposit as required by this section, the Controller may order the defence against eviction to be struck out and proceed with the hearing of the application.

Restrictions on sublet-ting.

16. (*1*) Where at any time before the 9th day of June, 1952, a tenant has sub-let the whole or any part of the premises and the sub-tenant is, at the commencement of this Act, in occupation of such premises, then, notwithstanding that the consent of the landlord was not obtained for such sub-letting, the premises shall be deemed to have been lawfully sub-let.

(*2*) No premises which have been sub-let either in whole or in part on or after the 9th day of June, 1952, without obtaining the consent in writing of the landlord, shall be deemed to have been lawfully sub-let.

(*3*) After the commencement of this Act, no tenant shall, without the previous consent in writing of the landlord,—

(*a*) sub-let the whole or any part of the premises held by him as a tenant; or

(*b*) transfer or assign his rights in the tenancy or in any part thereof.

(*4*) No landlord shall claim or receive the payment of any sum as premium or *pugree* or claim or receive any consideration whatsoever in cash or in kind for giving his consent to the sub-letting of the whole or any part of the premises held by the tenant.

Notice of creation and termination of subtenancy.

17. (*1*) Where, after the commencement of this Act, any premises are sub-let either in whole or in part by the tenant with the previous consent in writing of the landlord, the tenant or the sub-tenant to whom the premises are sub-let may, in the prescribed manner, give notice to the landlord of the creation of the sub-tenancy within one month of the date of such sub-letting and notify the termination of such sub-tenancy within one month of such termination.

(2) Where, before the commencement of this Act, any premises have been lawfully sub-let either in whole or in part by the tenant, the tenant or the sub-tenant to whom the premises have been sub-let may, in the prescribed manner, give notice to the landlord of the creation of the sub-tenancy within six months of the commencement of this Act, and notify the termination of such sub-tenancy within one month of such termination.

(3) Where in any case mentioned in sub-section (2), * * * * the landlord contests that the premises were not lawfully sub-let, and an application is made to the Controller in this behalf, either by the landlord or by the sub-tenant, within two months of the date of the receipt of the notice of sub-letting by the landlord or the issue of the notice by the tenant or the sub-tenant, as the case may be, the Controller shall decide the dispute.

Sub-tenant to be tenant in certain cases.

18. (1) Where an order for eviction in respect of any premises is made under section 14 against a tenant but not against a sub-tenant referred to in section 17 and a notice of the sub-tenancy has been given to the landlord, the sub-tenant shall, with effect from the date of the order, be deemed to become a tenant holding directly under the landlord in respect of the premises in his occupation on the same terms and conditions on which the tenant would have held from the landlord, if the tenancy had continued.

(2) Where, before the commencement of this Act, the interest of a tenant in respect of any premises has been determined without determining the interest of any sub-tenant to whom the premises either in whole or in part had been lawfully sub-let, the sub-tenant shall, with effect from the date of the commencement of this Act, be deemed to have become a tenant holding directly under the landlord on the same terms and conditions on which the tenant would have held from the landlord, if the tenancy had continued.

* * *

Recovery of possession for occupation and re-entry.

19. (1) Where a landlord recovers possession of any premises from the tenant in pursuance of an order made under clause (e) of the proviso to sub-section (1) of section 14, the landlord shall not, except with the permission of the Controller obtained in the prescribed manner, re-let the whole or any part of the premises within three years from the date of obtaining such possession, and in granting such permission, the Controller may direct the landlord to put such evicted tenant in possession of the premises.

(2) Where a landlord recovers possession of any premises as aforesaid and the premises are not occupied by the landlord or by

the person for whose benefit the premises are held, within two months of obtaining such possession, or the premises having been so occupied are, at any time within three years from the date of obtaining possession, re-let to any person other than the evicted tenant without obtaining the permission of the Controller under sub-section (*1*) or the possession of such premises is transferred to another person for reasons which do not appear to the Controller to be *bona fide*, the Controller may, on an application made to him in this behalf by such evicted tenant within such time as may be prescribed, direct the landlord to put the tenant in possession of the premises or to pay him such compensation as the Controller thinks fit.

Recovery of possession for repairs and re-building and re-entry.

20. (*1*) In making any order on the grounds specified in clause (*f*) or clause (*g*) of the proviso to sub-section (*1*) of section 14, the Controller shall ascertain from the tenant whether he elects to be placed in occupation of the premises or part thereof from which he is to be evicted and if the tenant so elects, shall record the fact of the election in the order and specify therein the date on or before which he shall deliver possession so as to enable the landlord to commence the work of repairs or building or re-building, as the case may be.

(*2*) If the tenant delivers possession on or before the date specified in the order, the landlord shall, on the completion of the work of repairs or building or re-building place the tenant in occupation of the premises or part thereof.

(*3*) If, after the tenant has delivered possession on or before the date specified in the order, the landlord fails to commence the work of repairs or building or re-building within one month of the specified date or fails to complete the work in a reasonable time or having completed the work, fails to place the tenant in occupation of the premises, in accordance, with sub-section (*2*), the Controller may, on an application made to him in this behalf by the tenant within such time as may be prescribed, order the landlord to place the tenant in occupation of the premises or part thereof * * * * or to pay to the tenant such compensation as the Controller thinks fit.

Recovery of possession in case of tenancies for limited period.

21. Where a landlord does not require the whole or any part of any premises for a particular period, and the landlord, after obtaining the permission of the Controller in the prescribed manner, lets the whole of the premises or part thereof as a residence for such period as may be agreed to in writing between the landlord and the tenant and the tenant does not, on the expiry of the said period, vacate such premises, then, notwithstanding anything contained in section 14 or in any other law, the Controller may, on an application made to

him in this behalf by the landlord within such time as may be prescribed, place the landlord in vacant possession of the premises or part thereof by evicting the tenant and every other person who may be in occupation of such premises.

Special provision for recovery of possession in certain cases.

22. Where the landlord in respect of any premises is any company or other body corporate or any local authority or any public institution and the premises are required for the use of employees of such landlord or in the case of a public institution, for the furtherance of its activities, then, notwithstanding anything contained in section 14 or in any other law, the Controller may, on an application made to him in this behalf by such landlord, place the landlord in vacant possession of such premises by evicting the tenant and every other person who may be in occupation thereof, if the Controller is satisfied—

(*a*) that the tenant to whom such premises were let for use as a residence at a time when he was in the service or employment of the landlord, has ceased to be in such service or employment; or

(*b*) that the tenant has acted in contravention of the terms, express or implied under which he was authorised to occupy such premises; or

(*c*) that any other person is in unauthorised occupation of such premises; or

(*d*) that the premises are required *bona fide* by the public institution for the furtherance of its activities.

Explanation.—For the purposes of this section, "public institution" includes any educational institution, library, hospital and charitable dispensary.

Permission to construct additional structures.

23. Where the landlord proposes to make any improvement in, or construct any additional structure on, any building which has been let to a tenant and the tenant refuses to allow the landlord to make such improvement or construct such additional structure and the Controller, on an application made to him in this behalf by the landlord, is satisfied that the landlord is ready and willing to commence the work and that such work will not cause any undue hardship to the tenant, the Controller may permit the landlord to do such work and may make such other order as he thinks fit in the circumstances of the case.

Special provision regarding vacant building sites.

24. * * * Notwithstanding anything contained in section 14, where any premises which have been let comprise vacant land upon which it is permissible under the building regulations or municipal bye-laws, for the time being in force, to erect any building, whether

for use as a residence or for any other purpose and the landlord proposing to erect such building is unable to obtain possession of the land from the tenant by agreement with him and the Controller, on an application made to him in this behalf by the landlord, is satisfied that the landlord is ready and willing to commence the work and that the severance of the vacant land from the rest of the premises will not cause undue hardship to the tenant, the Controller may—

(*a*) direct such severance;

(*b*) place the landlord in possession of the vacant land;

(*c*) determine the rent payable by the tenant in respect of the rest of the premises; and

(*d*) make such other order as he thinks fit in the circumstances of the case.

Vacant possession to landlord.

25. Notwithstanding anything contained in any other law, where the interest of a tenant in any premises is determined for any reason whatsoever and any order is made by the Controller under this Act for the recovery of possession of such premises, the order shall, subject to the provisions of section 18, be binding on all persons who may be in occupation of the premises and vacant possession thereof shall be given to the landlord by evicting all such persons therefrom:

Provided that nothing in this section shall apply to any person who has an independent title to such premises.

CHAPTER IV

DEPOSIT OF RENT

Receipt to be given for rent paid.

26. (*1*) Every tenant shall pay rent within the time fixed by contract or in the absence of such contract, by the fifteenth day of the month next following the month for which it is payable.

(*2*) Every tenant who makes a payment of rent to his landlord shall be entitled to obtain forthwith from the landlord or his authorised agent a written receipt for the amount paid to him, signed by the landlord or his authorised agent.

(*3*) If the landlord or his authorised agent refuses or neglects to deliver to the tenant a receipt referred to in sub-section (*2*), the Controller may, on an application made to him in this behalf by the tenant within two months from the date of payment and after hearing the landlord or his authorised agent, by order direct the landlord or his authorised agent to pay to the tenant, by way of damages, such sum not exceeding double the amount of rent paid by the tenant and

the costs of the application and shall also grant a certificate to the tenant in respect of the rent paid.

Deposit of rent by the tenant.

27. (*1*) Where the landlord does not accept any rent tendered by the tenant within the time referred to in section 26 or refuses or neglects to deliver a receipt referred to therein or where there is a *bona fide* doubt as to the person or persons to whom the rent is payable, the tenant may deposit such rent with the Controller in the prescribed manner.

(*2*) The deposit shall be accompanied by an application by the tenant containing the following particulars, namely:—

(*a*) the premises for which the rent is deposited with a description sufficient for identifying the premises;

(*b*) the period for which the rent is deposited;

(*c*) the name and address of the landlord or the person or persons claiming to be entitled to such rent;

(*d*) the reasons and circumstances for which the application for depositing the rent is made;

(*e*) such other particulars as may be prescribed.

(*3*) On such deposit of the rent being made, the Controller shall send in the prescribed manner a copy or copies of the application to the landlord or persons claiming to be entitled to the rent with an endorsement of the date of the deposit.

(*4*) If an application is made for the withdrawal of any deposit of rent, the Controller shall, if satisfied that the applicant is the person entitled to receive the rent deposited, order the amount of the rent to be paid to him in the manner prescribed:

Provided that no order for payment of any deposit of rent shall be made by the Controller under this sub-section without giving all persons named by the tenant in his application under sub-section (*2*) as claiming to be entitled to payment of such rent an opportunity of being heard and such order shall be without prejudice to the rights of such persons to receive such rent being decided by a court of competent jurisdiction.

(*5*) If at the time of filing the application under sub-section (*4*), but not after the expiry of thirty days from receiving the notice of deposit, the landlord or the person or persons claiming to be entitled to the rent complains or complain to the Controller that the statements in the tenant's application of the reasons and circumstances which led him to deposit the rent are untrue, the Controller, after giving the tenant an opportunity of being heard, may levy on the

tenant a fine which may extend to an amount equal to two months' rent, if the Controller is satisfied that the said statements were materially untrue and may order that a sum out of the fine realised be paid to the landlord as compensation.

(6) The Controller may, on the complaint of the tenant and after giving an opportunity to the landlord of being heard, levy on the landlord a fine which may extend to an amount equal to two months' rent, if the Controller is satisfied that the landlord, without any reasonable cause, refused to accept rent though tendered to him within the time referred to in section 26 and may further order that a sum out of the fine realised be paid to the tenant as compensation.

Time limit for making deposit and consequences of incorrect particulars in application for deposit.

28. (1) No rent deposited under section 27 shall be considered to have been validly deposited under that section, unless the deposit is made within twenty-one days of the time referred to in section 26 for payment of the rent.

(2) No such deposit shall be considered to have been validly made, if the tenant wilfully * * * makes any false statement in his application for depositing the rent, unless the landlord has withdrawn the amount deposited before the date of filing an application for the recovery of possession of the premises from the tenant.

(3) If the rent is deposited within the time mentioned in sub-section (1) and does not cease to be a valid deposit for the reason mentioned in sub-section (2), the deposit shall constitute payment of rent to the landlord, as if the amount deposited had been validly tendered.

Saving as to acceptance of rent and forfeiture of rent in deposit.

29. (1) The withdrawal of rent deposited under section 27 in the manner provided therein shall not operate as an admission against the person withdrawing it of the correctness of the rate of rent, the period of default, the amount due, or of any other facts stated in the tenant's application for depositing the rent under the said section.

(2) Any rent in deposit which is not withdrawn by the landlord or by the person or persons entitled to receive such rent shall be forfeited to Government by an order made by the Controller, if it is not withdrawn before the expiration of five years from the date of posting of the notice of deposit.

(3) Before passing an order of forfeiture, the Controller shall give notice to the landlord or the person or persons entitled to receive the rent in deposit by registered post at the last known address of such landlord or person or persons and shall also publish the notice in his office and in any local newspaper.

CHAPTER V

HOTELS AND LODGING HOUSES

Application of the Chapter.

30. The provisions of this Chapter shall apply to all hotels and lodging houses in the areas which, immediately before the 7th day of April, 1958, were included in the New Delhi Municipal Committee, Municipal Committee, Delhi and the Notified Area Committee, Civil Station, Delhi and may be applied by the Central Government, by notification in the Official Gazette, to hotels and lodging houses within the limits of such other urban area of the Municipal Corporation of Delhi as may be specified in the notification:

Provided that if the Central Government is of opinion that it would not be desirable in the public interest to make the provisions of this Chapter applicable to any class of hotels or lodging houses, it may, by notification in the Official Gazette, exempt such class of hotels or lodging houses from the operation of this Chapter.

Fixing of fair rate.

31. (*1*) Where the Controller, on a written complaint or otherwise, has reason to believe that the charges made for board or lodging or any other service provided in any hotel or lodging house are excessive, he may fix a fair rate to be charged for board, lodging or other services provided in the hotel or lodging house and in fixing such fair rate, specify separately the rate for lodging, board or other services.

(*2*) In determining the fair rate under sub-section (*1*), the Controller shall have regard to the circumstances of the case and to the prevailing rate of charges for the same or similar accommodation, board and service, during the twelve months immediately preceding the 1st day of June, 1951, and to any general increase in the cost of living after that date.

Revision of fair rate.

32. On a written application from the manager of a hotel or the owner of a lodging house or otherwise, the Controller may, from time to time, revise the fair rate to be charged for board, lodging or other service in a hotel or lodging house, and fix such rate as he may deem fit having regard to any general rise or fall in the cost of living which may have occurred after the fixing of fair rate.

Charges in excess of fair rate not recoverable.

33. When the Controller has determined the fair rate of charges in respect of a hotel or lodging house,—

(*a*) the manager of the hotel or the owner of the lodging house, as the case may be, shall not charge any amount in excess of the fair rate and shall not, except with the previous written

permission of the Controller, withdraw from the lodger any concession or service allowed at the time when the Controller determined the fair rate;

(*b*) any agreement for the payment of any charges in excess of such fair rate shall be void in respect of such excess and shall be construed as if it were an agreement for payment of the said fair rate;

(*c*) any sum paid by a lodger in excess of the fair rate shall be recoverable by him at any time within a period of six months from the date of the payment from the manager of the hotel or the owner of the lodging house or his legal representatives and may, without prejudice to any other mode of recovery, be deducted by such lodger from any amount payable by him to such manager or owner.

Recovery of possession by manager of a hotel or the owner of a lodging house.

34. Notwithstanding anything contained in this Act, the manager of a hotel or the owner of a lodging house shall be entitled to recover possession of the accommodation provided by him to a lodger on obtaining a certificate from the Controller certifying—

(*a*) that the lodger has been guilty of conduct which is a nuisance or which causes annoyance to any adjoining or neighbouring lodger;

Explanation.—For the purposes of this clause, "nuisance" shall be deemed to include any act which constitutes an offence under the Suppression of Immoral Traffic in Women and Girls Act, 1956; 104 of 1956.

(*b*) that the accommodation is reasonably and *bona fide* required by the owner of the hotel or lodging house, as the case may be, either for his own occupation or for the occupation of any person for whose benefit the accommodation is held, or any other cause which may be deemed satisfactory to the Controller;

(*c*) that the lodger has failed to vacate the accommodation on the termination of the period of the agreement in respect thereof;

(*d*) that the lodger has done any act which is inconsistent with the purpose for which the accommodation was given to him or which is likely to affect adversely or substantially the owner's interest therein;

(*e*) that the lodger has failed to pay the rent due from him.

CHAPTER VI

APPOINTMENT OF CONTROLLERS AND THEIR POWERS AND FUNCTIONS AND APPEALS

Appointment of Controllers and additional Controllers.

35. (1) The Central Government may, by notification in the Official Gazette, appoint as many Controllers as it thinks fit, and define the local limits within which, or the hotels and lodging houses in respect of which, each Controller shall exercise the powers conferred, and perform the duties imposed, on Controllers by or under this Act.

(2) The Central Government may also, by notification in the Official Gazette, appoint as many additional Controllers as it thinks fit and an additional Controller shall perform such of the functions of the Controller as may, subject to the control of the Central Government, be assigned to him in writing by the Controller and in the discharge of these functions, an additional Controller shall have and shall exercise the same powers and discharge the same duties as the Controller.

(3) A person shall not be qualified for appointment as a Controller or an additional Controller, unless he has for at least five years held a judicial office in India or has for at least seven years been practising as an advocate or a pleader in India.

Powers of Controller.

36. (1) The Controller may—

(a) transfer any proceeding pending before him for disposal to any additional Controller, or

(b) withdraw any proceeding pending before any additional Controller and dispose it of himself or transfer the proceeding for disposal to any other additional Controller.

(2) The Controller shall have the same powers as are vested in a civil court under the Code of Civil Procedure, 1908, when trying a suit, in respect of the following matters, namely:—

5 of 1908.

(a) summoning and enforcing the attendance of any person and examining him on oath;

(b) requiring the discovery and production of documents;

(c) issuing commissions for the examination of witnesses;

(d) any other matter which may be prescribed;

and any proceeding before the Controller shall be deemed to be a judicial proceeding within the meaning of section 193 and section 228 of the Indian Penal Code, and the Controller shall be deemed to be

45 of 1860.

a civil court within the meaning of section 480 and section 482 of the Code of Criminal Procedure, 1898. 5 of 1898.

(3) For the purposes of holding any inquiry or discharging any duty under this Act, the Controller may,—

(a) after giving not less than twenty-four hours' notice in writing, enter and inspect or authorise any officer subordinate to him to enter and inspect any premises at any time between sunrise and sunset; or

(b) by written order, require any person to produce for his inspection all such accounts, books or other documents relevant to the inquiry at such time and at such place as may be specified in the order.

(4) The Controller may, if he * thinks fit, appoint one or more persons having special knowledge of the matter under consideration as an assessor or assessors to advise him in the proceeding before him.

Procedure to be followed by Controller.

37. (1) No order which prejudicially affects any person shall be made by the Controller under this Act without giving him a reasonable opportunity of showing cause against the order proposed to be made and until his objections, if any, and any evidence he may produce in support of the same have been considered by the Controller.

(2) Subject to any rules that may be made under this Act, the Controller shall, while holding an inquiry in any proceeding before him, follow as far as may be the practice and procedure of a court of small causes, including the recording of evidence.

(3) In all proceedings before him, the Controller shall consider the question of costs and award such costs to or against any party as the Controller considers reasonable.

Appeal to the Tribunal.

38. (1) **An appeal shall lie from every order of the Controller made under this Act to the Rent Control Tribunal (hereinafter referred to as the 'Tribunal') consisting of one person only to be appointed by the Central Government by notification in the Official Gazette.**

(2) An appeal under sub-section (1) shall be preferred within thirty days from the date of the order made by the Controller:

Provided that the Tribunal may entertain the appeal after the expiry of the said period of thirty days, if it is satisfied that the

appellant was prevented by sufficient cause from filing the appeal in time.

(3) The Tribunal shall have all the powers vested in a court under the Code of Civil Procedure, 1908, when hearing an appeal.

5 of 1908.

(4) Without prejudice to the provisions of sub-section (3), the Tribunal may, on an application made to it or otherwise, by order transfer any proceeding pending before any Controller or additional Controller to another Controller or additional Controller and the Controller or additional Controller to whom the proceeding is so transferred may, subject to any special directions in the order of transfer, dispose of the proceeding.

(5) A person shall not be qualified for appointment to the Tribunal, unless he is, or has been, a district judge or has for at least ten years held a judicial office in India.

Second appeal.

39. (1) Subject to the provisions of sub-section (2), an appeal shall lie to the High Court from an order made by the Tribunal within sixty days from the date of such order:

Provided that the High Court may entertain the appeal after the expiry of the said period of sixty days, if it is satisfied that the appellant was prevented by sufficient cause from filing the appeal in time.

(2) No appeal shall lie under sub-section (1), unless the appeal involves some substantial question of law.

Amendment of orders.

40. Clerical or arithmetical mistakes in any order passed by a Controller or the Tribunal or errors arising therein from any accidental slip or omission may, at any time, be corrected by the Controller or the Tribunal on an application received in this behalf from any of the parties or otherwise.

Controller to exercise powers of a magistrate for recovery of fine.

41. Any fine imposed by a Controller under this Act shall be paid by the person fined within such time as may be allowed by the Controller and the Controller may, for good and sufficient reason, extend the time, and in default of such payment, the amount shall be recoverable as a fine under the provisions of the Code of Criminal Procedure, 1898, and the Controller shall be deemed to be a magistrate under the said Code for the purposes of such recovery.

5 of 1898.

Controller to exercise powers of civil court for execution of other orders.

42. Save as otherwise provided in section 41, an order made by the Controller or an order passed on appeal under this Act shall be executable by the Controller as a decree of a civil court and for this purpose, the Controller shall have all the powers of a civil court.

Finality of order.

43. Save as otherwise expressly provided in this Act, every order made by the Controller or an order passed on appeal under this Act shall be final and shall not be called in question in any original suit, application or execution proceeding.

CHAPTER VII

PROVISIONS REGARDING SPECIAL OBLIGATIONS OF LANDLORDS AND PENALTIES

Landlord's duty to keep the premises in good repair.

44. (*1*) Every landlord shall be bound to keep the premises in good and tenantable repairs * * *.

(*2*) If the landlord neglects or fails to make, within a reasonable time after notice in writing, any repairs which he is bound to make under sub-section (*1*), the tenant may make the same himself and deduct the expenses of such repairs from the rent or otherwise recover them from the landlord:

Provided that the amount so deducted or recoverable in any year shall not exceed one-twelfth of the rent payable by the tenant for that year.

(*3*) Where any repairs without which the premises are not habitable or useable except with undue inconvenience are to be made and the landlord neglects or fails to make them after notice in writing, the tenant may apply to the Controller for permission to make such repairs himself and may submit to the Controller an estimate of the cost of such repairs, and, thereupon, the Controller may, after giving the landlord an opportunity of being heard and after considering such estimate of the cost and making such inquiries as he may consider necessary, by an order in writing, permit the tenant to make such repairs at such cost as may be specified in the order and it shall thereafter be lawful for the tenant to make such repairs himself and to deduct the cost thereof, which shall in no case exceed the amount so specified, from the rent or otherwise recover it from the landlord:

Provided that the amount so deducted or recoverable in any year shall not exceed one-half of the rent payable by the tenant for that year:

Provided further that if any repairs not covered by the said amount are necessary in the opinion of the Controller, and the tenant agrees to bear the excess cost himself, the Controller may permit the tenant to make such repairs.

Cutting off or withholding essential supply or service.

45. (*1*) No landlord either himself or through any person purporting to act on his behalf shall without just and sufficient cause cut off or withhold any essential supply or service enjoyed by the tenant in respect of the premises let to him.

(*2*) If a landlord contravenes the provisions of sub-section (*1*), the tenant may make an application to the Controller complaining of such contravention.

(*3*) If the Controller is satisfied that the essential supply or service was cut off or withheld by the landlord with a view to compel the tenant to vacate the premises or to pay an enhanced rent, the Controller may pass an order directing the landlord to restore the amenities immediately, pending the inquiry referred to in sub-section (*4*).

Explanation.—An interim order may be passed under this sub-section without giving notice to the landlord.

(*4*) If the Controller on inquiry finds that the essential supply or service enjoyed by the tenant in respect of the premises was cut off or withheld by the landlord without just and sufficient cause, he shall make an order directing the landlord to restore such supply or service.

(*5*) The Controller may in his discretion direct that compensation not exceeding fifty rupees—

(*a*) be paid to the landlord by the tenant, if the application under sub-section (*2*) was made frivolously or vexatiously;

(*b*) be paid to the tenant by the landlord, if the landlord had cut off or withheld the supply or service without just and sufficient cause.

Explanation I.—In this section, "essential supply or service" includes supply of water, electricity, lights in passages and on staircases, conservancy and sanitary services.

Explanation II.—For the purposes of this section, withholding any essential supply or service shall include acts or omissions attributable to the landlord on account of which the essential supply or service is cut off by the local authority or any other competent authority.

Landlord's duty to give notice of new construction to Government.

46. Whenever, after the commencement of this Act, any premises are constructed, the landlord shall, within thirty days of the completion of such construction, give intimation thereof in writing to the Estate Officer to the Government of India or to such other officer as may be specified in this behalf by the Government.

Leases of vacant premises to Government.

47. (1) The provisions of this section shall apply only in relation to premises in the areas which, immediately before the 7th day of April, 1958, were included in the New Delhi Municipal Committee and which are, or are intended to be, let for use as a residence.

(2) Whenever any premises the standard rent of which is not less than two thousand and four hundred rupees per year becomes vacant either by the landlord ceasing to occupy the premises or by the termination of a tenancy or by the eviction of a tenant or by the release of the premises from requisition or otherwise,—

(a) the landlord shall, within seven days of the premises becoming vacant, give intimation thereof in writing to the Estate Officer to the Government of India;

(b) whether or not such intimation is given, the Estate Officer may serve on the landlord by post or otherwise a notice—

(i) informing him that the premises are required by the Government for such period as may be specified in the notice; and

(ii) requiring him, and every person claiming under him, to deliver possession of the premises forthwith to such officer or person as may be specified in the notice:

Provided that where the landlord has given the intimation required by clause (a), no notice shall be issued by the Estate Officer under clause (b) more than seven days after the delivery to him of the intimation:

Provided further that nothing in this sub-section shall apply in respect of any premises the possession of which has been obtained by the landlord on the basis of any order made on the ground set forth in clause (e) of the proviso to sub-section (1) of section 14 or in respect of any premises which have been released from requisition for the use and occupation of the landlord himself.

(3) Upon the service of a notice under clause (b) of sub-section (2), the premises shall be deemed to have been leased to the Government for the period specified in the notice, as from the date of the delivery of the intimation under clause (a) of sub-section (2) or in a case where no such intimation has been given, as from the date on which possession of the premises is delivered in pursuance of the notice, and the other terms of the lease shall be such as may be agreed upon between the Government and the landlord or in default of agreement, as may be determined by the Controller, in accordance with the provisions of this Act.

(4) In every case where the landlord has in accordance with the provisions of sub-section (2) given intimation of any premises becoming vacant and the premises are not taken on lease by the Government under this section, the Government shall pay to the landlord a sum equal to one-fifty-second of the standard rent per year of the premises.

(5) Any premises taken on lease by the Government under this section may be put to any such use as the Government thinks fit, and in particular, the Government may permit the use of the premises for the purposes of any public institution or any foreign embassy, legation or consulate or any High Commissioner or Trade Commissioner, or as a residence by any officer in the service of the Government or of a foreign embassy, legation or consulate or of a High Commissioner or Trade Commissioner.

Penalties

48. (1) If any person contravenes any of the provisions of section 5, he shall be punishable—

(a) in the case of a contravention of the provisions of sub-section (1) of section 5, with simple imprisonment for a term which may extend to three months, or with fine which may extend to a sum which exceeds the unlawful charge claimed or received under that sub-section by one thousand rupees, or with both;

(b) in the case of a contravention of the provisions of sub-section (2) or sub-section (3) of section 5, with simple imprisonment for a term which may extend to six months, or with fine which may extend to a sum which exceeds the amount or value of unlawful charge claimed or received under the said sub-section (2) or sub-section (3), as the case may be, by five thousand rupees, or with both.

* * * *

(2) If any tenant sub-lets, assigns or otherwise parts with the possession of the whole or part of any premises in contravention of the provisions of clause (b) of the proviso to sub-section (1) of section 14, he shall be punishable with fine which may extend to one thousand rupees.

(3) If any landlord re-lets or transfers the whole or any part of any premises in contravention of the provisions of sub-section (1) or sub-section (2) of section 19, he shall be punishable with imprisonment for a term which may extend to three months, or with fine, or with both.

(4) If any landlord contravenes the provisions of sub-section (1) of section 45, he shall be punishable with imprisonment for a term which may extend to three months, or with fine, or with both.

(5) If any landlord fails to comply with the provisions of section 43, he shall be punishable with fine which may extend to one hundred rupees.

(6) If any person contravenes the provisions of clause (a) of sub-section (2) of section 47, or fails to comply with a requirement under clause (b) thereof, he shall be punishable with simple imprisonment for a term which may extend to three months, or with fine which may extend to one thousand rupees, or with both.

Cognizance of offences.

49. (1) No court inferior to that of a magistrate of the first class shall try any offence punishable under this Act.

(2) No court shall take cognizance of an offence punishable under this Act, unless the complaint in respect of the offence has been made within three months from the date of the commission of the offence.

(3) Notwithstanding anything contained in section 32 of the Code of Criminal Procedure, 1898, it shall be lawful for any magistrate of the first class to pass a sentence of fine exceeding two thousand rupees on a person convicted of an offence punishable under this Act. 5 of 1898.

CHAPTER VIII

MISCELLANEOUS

Jurisdiction of civil courts barred in respect of certain matters.

50. (1) Save as otherwise expressly provided in this Act, no civil court shall entertain any suit or proceeding in so far as it relates to the fixation of standard rent in relation to any premises to which this Act applies or to eviction of any tenant therefrom or to any other matter which the Controller is empowered by or under this Act to decide, and no injunction in respect of any action taken or to be taken by the Controller under this Act shall be granted by any civil court or other authority.

(2) If, immediately before the commencement of this Act, there is any suit or proceeding pending in any civil court for the eviction of any tenant from any premises to which this Act applies and the construction of which has been completed after the 1st day of June, 1951, but before the 9th day of June, 1955, such suit or proceeding shall, on such commencement, abate.

(3) If, in pursuance of any decree or order made by a court, any tenant has been evicted after the 16th day of August, 1958, from any premises to which this Act applies and the construction of which has been completed after the 1st day of June, 1951, but before the 9th day of June, 1955, then, notwithstanding anything contained in any other law, the Controller may, on an application made to him in this behalf by such evicted tenant within six months from the date of eviction, direct the landlord to put the tenant in possession of the premises or to pay him such compensation as the Controller thinks fit.

(4) Nothing in sub-section (1) shall be construed as preventing a civil court from entertaining any suit or proceeding for the decision of any question of title to any premises to which this Act applies or any question as to the person or persons who are entitled to receive the rent of such premises.

Controllers to be public servants.

51. All Controllers and additional Controllers appointed under this Act shall be deemed to be public servants within the meaning of section 21 of the Indian Penal Code.

45 of 1860.

Protection of action taken in good faith.

52. No suit, prosecution or other legal proceeding shall lie against any Controller or additional Controller in respect of anything which is in good faith done or intended to be done in pursuance of this Act.

Amendment of the Delhi Tenants (Temporary Protection) Act, 1956.

53. For sub-section (4) of section 1 of the Delhi Tenants (Temporary Protection) Act, 1956, the following sub-section shall be substituted, namely:—

97 of 1956.

"(4) It shall cease to have effect,—

(a) as respects premises other than vacant ground, on the 11th day of February, 1959;

(b) as respects premises which are vacant ground, on the 11th day of February, 1960;

except as respects things done or omitted to be done before such cesser of operation of this Act and section 6 of the General Clauses Act, 1897, shall apply upon such cesser of operation as if it had then been repealed by a Central Act.".

10 of 1897.

Saving of operation in certain enactments.

54. Nothing in this Act shall affect the provisions of the Administration of Evacuee Property Act, 1950, or the Slum Areas (Improvement and Clearance) Act, 1956, or the Delhi Tenants (Temporary Protection) Act, 1956.

31 of 1950.
96 of 1956.
97 of 1956.

Special provision regarding decrees affected by the Delhi Tenants (Temporary Protection) Act, 1956.

55. Where any decree or order for the recovery of possession of any premises to which the Delhi Tenants (Temporary Protection) Act, 1956, applies is sought to be executed on the cesser of operation of that Act in relation to those premises, the court executing the decree or order may, on the application of the person against whom the decree or order has been passed or otherwise, reopen the case and if it is satisfied that the decree or order could not have been passed if this Act had been in force on the date of the decree or order, the court may, having regard to the provisions of this Act, set aside the decree or order or pass such other order in relation thereto as it thinks fit. 97 of 1956.

Power to make rules.

56. (*1*) The Central Government may, by notification in the Official Gazette, make rules to carry out the purposes of this Act.

(*2*) In particular, and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely:—

(*a*) the form and manner in which, and the period within which, an application may be made to the Controller;

(*b*) the form and manner in which an application for deposit of rent may be made and the particulars which it may contain;

(*c*) the manner in which a Controller may hold an inquiry under this Act;

(*d*) the powers of the civil court which may be vested in a Controller;

(*e*) the form and manner in which an application for appeal or transfer of proceeding may be made to the Tribunal;

(*f*) the manner of service of notices under this Act;

(*g*) any other matter which has to be, or may be, prescribed.

(*3*) All rules made under this section shall be laid for not less than thirty days before each House of Parliament as soon as possible after they are made and shall be subject to such modifications as Parliament may make during the session in which they are so laid or the session immediately following.

Repeal and savings.

57. (*1*) The Delhi and Ajmer Rent Control Act, 1952, in so far as it is applicable to the Union territory of Delhi, is hereby repealed. 38 of 1952.

(2) Notwithstanding such repeal, all suits and other proceedings under the said Act pending, at the commencement of this Act, before any court or other authority shall be continued and disposed of in accordance with the provisions of the said Act, as if the said Act had continued in force and this Act had not been passed:

Provided that in any such suit or proceeding for the fixation of standard rent or for the eviction of a tenant from any premises to which section 54 does not apply, the court or other authority shall have regard to the provisions of this Act:

Provided further that the provisions for appeal under the said Act shall continue in force in respect of suits and proceedings disposed of thereunder.

THE FIRST SCHEDULE

[*See* section 1 (*2*)]

THE URBAN AREAS WITHIN THE LIMITS OF THE MUNICIPAL CORPORATION OF DELHI TO WHICH THE ACT EXTENDS

The areas which, immediately before the 7th April, 1958, were included in—

1. the Municipality of New Delhi excluding the area specified in the First Schedule to the Delhi Municipal Corporation Act, 1957; 66 of 1957.

2. the Municipal Committee, Delhi;

3. the Notified Area Committee, Civil Station, Delhi;

4. the Municipal Committee, Delhi-Shahdara;

5. the Notified Area Committee, Red Fort;

6. the Municipal Committee, West Delhi;

7. the South Delhi Municipal Committee;,

8. the Notified Area Committee, Mehrauli.

THE SECOND SCHEDULE

[*See* sections 2 (*a*) and 6 (*1*)]

BASIC RENT

1. In this Schedule, "basic rent" in relation to any premises let out before the 2nd June, 1944, means the original rent of such premises referred to in paragraph 2 increased by such percentage of the original rent as is specified in paragraph 3 or paragraph 4 or paragraph 5, as the case may be.

2. "Original rent", in relation to premises referred to in paragraph 1, means—

(*a*) where the rent of such premises has been fixed under the New Delhi House Rent Control Order, 1939, or the Delhi Rent Control Ordinance, 1944, the rent so fixed; or 25 of 1944.

(*b*) in any other case,—

(*i*) the rent at which the premises were let on the 1st November, 1939, or

(*ii*) if the premises were not let on that date, the rent

at which they were first let out at any time after that date but before the 2nd June, 1944.

3. Where the premises to which paragraph 2 applies are let out for the purpose of being used as a residence or for any of the purposes of a public hospital, an educational institution, a public library or reading room or an orphanage, the basic rent of the premises shall be the original rent increased by—

(*a*) 12-1/2 per cent. thereof, if the original rent per annum is not more than Rs. 300;

(*b*) 15-5/8 per cent. thereof, if the original rent per annum is more than Rs. 300 but not more than Rs. 600;

(*c*) 18-3/4 per cent. thereof, if the original rent per annum is more than Rs. 600 but not more than Rs. 1,200;

(*d*) 25 per cent. thereof, if the original rent per annum is more than Rs. 1,200.

4. Where the premises to which paragraph 2 applies are let out for any purpose other than those mentioned in paragraph 3, the basic rent of the premises shall be the original rent increased by twice the amount by which it would be increased under paragraph 3, if the premises were let for a purpose mentioned in that paragraph.

5. Where the premises to which paragraph 2 applies are used mainly as a residence and incidentally for business or profession, the basic rent of the premises shall be the mean of the rent as calculated under paragraphs 3 and 4.

M. N. KAUL,

Secretary.

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